

**REMARKS**

Claims 1-20 are pending in the application and have been rejected.

**Claim Rejections under 35 U.S.C. §103**

Claims 1, 3, 5-6, 11-14 and 17-20 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Maes et al. (U.S. 6,016,476), in view of Krlarksy (U.S. Publication No. 20010037308).

The present invention as described in the first embodiment shown in Figure 4 is a method of settling a transaction which begins in step 1 by connecting the user terminal (10) and the authorization server (22) of the service center (20). In step 2, the authorization center (22) authenticates the IC card (4). In step 3, the identity of the user is verified by the authorization center (22) through the entry of a personal identification number (PIN). In step 4, the user enters the PIN. In step 5, IC credit card or IC debit card information is transmitted to the settlement server (41) of the card company/bank (40). In step 6, the settlement server generates a one-time password usable for only one transaction and useable for a limited period of time. In step 7, the user then inputs the one-time password as displayed on the mobile telephone (1) into the cat terminal or debit terminal (30) of the business establishment. In step 8, the cat terminal or debit terminal (30) transmits the one-time password to the settlement server (41). Finally, in step 9, the settlement server (41) transfers a transaction satisfying the settlement of the transaction.

Maes et al. describes a portable client PDA having I/O capability to read a smart card. The PDA also has a radio frequency modem for communications. The PDA can operate in a client/server mode in which a temporary digital certificate is periodically downloaded to the PDA. This temporary digital certificate is used to access information stored in PDA and to write such information to the Universal smart card. Once the information is written to the smart card a transaction may take place.

Krlarksy describes a secure identification system in which single use certificate to eliminate the possibility of electronic theft.

Claims 1 2, 3, 5, 7 and 11 have been amended to indicate that the mobile information terminal is a mobile phone having a contact type IC card built into the mobile telephone. This feature finds support on page 10, lines 4-7 of the specification. Maes et al, indicates in column 14, lines 11-12 that the PDA may be a cellular phone but it does not teach that the phone has a contact type IC card built into the telephone. Therefore, claims 1 2, 3, 5, 7 and 11 patentably distinguish over the prior art relied upon by reciting, as exemplified by claim 1,

“A card settlement method using a mobile information terminal provided with an IC card read/write function and a wireless communication function for the settlement of a transaction in a business establishment, comprising: a step of having a customer using a business establishment wirelessly connect to an authorization server through a network by the mobile information terminal, a step of having the customer load his or her IC card in the mobile information terminal, read the information stored in this IC card, and send it to the authorization server, a step of having the authorization server decide on the authorization of the current transaction from authentication information stored in the IC card and proving the legitimacy of the card, settlement information containing at least a card number, and personal identification information input from the customer and proving the legitimacy of the customer, a step of sending a temporary password issued from a settlement server to

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the mobile information terminal for display after the authorization of the current transaction, a step of inputting the temporary password and the current transaction information from a business establishment side settlement terminal and sending it to the settlement server, and a step of having the settlement server settle the transaction with the password and the transaction information satisfying the settlement conditions, wherein the temporary password is valid for only one transaction and valid for only a limited period of time, wherein the mobile information terminal is a mobile phone having a contact type IC card built into the mobile telephone.”  
(Emphasis Added)

Therefore, withdrawal of the rejection of claims 1, 3, 5-6, 11-14 and 17-20 under 35 U.S.C. §103(a) as being unpatentable over Maes et al. (U.S. 6,016,476), in view of Krlarksy (U.S. Publication No. 20010037308) is respectfully requested.

Claim 2 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Maes et al., in view of Shkedy (U.S. 6,260,024).

Shkedy describes a buyer-driven purchase order system in which both the buyer and the seller are authenticated.

In light of amendment to claim 2, this claim is in condition for allowance for the reasons previously stated. Therefore, withdrawal of the rejection of claim 2 under 35 U.S.C. §103(a) as being unpatentable over Maes et al., in view of Shkedy (U.S. 6,260,024) is respectfully requested.

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**Conclusion**

In view of the aforementioned amendments and accompanying remarks, the claims, as amended, are believed to be patentable and in condition for allowance, which action, at an early date, is requested.

If, for any reason, it is felt that this application is not now in condition for allowance, the Examiner is requested to contact the applicants' undersigned attorney at the telephone number indicated below to arrange for an interview to expedite the disposition of this case.

In the event that this paper is not timely filed, the applicants respectfully petition for an appropriate extension of time. Please charge any fees for such an extension of time and any other fees which may be due with respect to this paper, to Deposit Account No. 01-2340.

Respectfully submitted,

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